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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
)
For Approval of Rate Increases and)
Revised Rate Schedules and Rules)
_____)

Docket No. 05-0315

FILED
2007 APR 11 P 3:30
PUBLIC UTILITIES
COMMISSION

STIPULATION

and

CERTIFICATE OF SERVICE

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Honolulu, Hawaii 96813

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STIPULATION

WHEREAS, on December 13, 2005, Hawaii Electric Light Company, Inc. ("HELCO" or "Company") filed a Notice of Intent in Docket No. 05-0315 to file a general rate increase application based on a 2006 test year, and a Motion for Approval of Test Period Waiver to allow HELCO to use a 2006 calendar year test period for this general rate increase application;

WHEREAS, on January 9, 2006, the Commission issued Order No. 22212, which granted HELCO's Motion for Approval of Test Period Waiver;

WHEREAS, on May 5, 2006, HELCO filed its Application for approval of a general rate increase and revised rate schedules and rules, and also filed direct testimonies, exhibits and workpapers in support of its Application;

WHEREAS, the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate") is, ex officio, a party to this proceeding pursuant to the Rules of Practice and Procedure before the Public Utilities Commission;

WHEREAS, on June 26 and 27, 2006, the Commission held public hearings on HELCO's Application in Hilo and Kona, respectively;

WHEREAS, in Order No. 22663, issued on August 1, 2006 ("Order No. 22663"), the Commission granted Keahole Defense Coalition Inc.'s ("KDC") motion to participate, limited to those issues pertinent to HELCO's expansion of the Keahole generating station;¹

WHEREAS, Order No. 22663 also granted participant status to Rocky Mountain Institute ("RMI"), limited to issues related to tiered rate pricing, time of use pricing, energy cost adjustment charge, net energy metering and the renewable energy and energy efficiency program for affordable homes;²

WHEREAS, on November 29, 2006, RMI filed a notice of withdrawal, which the Commission approved on December 5, 2006 in Order No. 23108;

WHEREAS, on December 29, 2006, HELCO filed its Act 162 direct testimonies and consultant report;

WHEREAS, on February 20, 2007, KDC filed its Position Statement;

WHEREAS, on February 21, 2007, the Consumer Advocate filed its direct testimonies, exhibits and workpapers;

WHEREAS, on March 27, 2007, HELCO filed its rebuttal testimonies, exhibits

¹ The order stated that unless the Commission decides otherwise at a future juncture, KDC's participation is limited to responding to any discovery requests, filing a statement of position, and responding to questions at any evidentiary hearing.

² The Commission limited RMI's participation to responding to any discovery requests, filing a statement of position, and responding to questions at any evidentiary hearing.

and workpapers, and its Statement of Probable Entitlement;

WHEREAS, on March 28, 2007, the Consumer Advocate filed its Response to HELCO's Statement of Probable Entitlement;

WHEREAS, on April 4, 2007, the Commission issued Interim Decision and Order No. 23342 ("Interim D&O"), which allowed HELCO to increase its rates on an interim basis to such levels as will produce, in the aggregate, \$24,564,500 in additional revenues for the 2006 test year, effective from the date of the Interim D&O until the Commission issues a final decision in this docket;

WHEREAS, on April 5, 2007, HELCO filed tariff changes, effective April 5, 2007, to implement the interim rate increase;

WHEREAS, on April 5, 2007, HELCO and the Consumer Advocate (hereinafter, may be collectively referred to as "Parties") filed a Stipulated Settlement Letter ("Settlement"), which documented the agreement between the Parties on issues impacting the test year revenue requirements and certain rate design issues. Discussions on the remaining cost of service/rate increase allocation/rate design issues are continuing. HELCO and the Consumer Advocate do not anticipate any differences resulting from such discussions to require an evidentiary hearing and will file a separate stipulated settlement letter to document the agreements reached on those remaining issues;

WHEREAS, in the Settlement, the Parties agreed that the rate changes specifically set forth in the Settlement result in just and reasonable rates for HELCO's regulated electric operations and that the Parties would support and defend the Settlement before

any court or regulatory agency;

WHEREAS, the Parties agreed that if the Commission did not issue an order adopting all material terms of the Settlement, any or all of the Parties may withdraw from the Settlement and such Party or Parties may pursue their respective positions on HELCO's application without prejudice;

WHEREAS, as a result of the Settlement reached between HELCO and the Consumer Advocate on issues impacting the test year revenue requirements, there are no remaining issues between the Parties that impact the test year revenue requirements;³

WHEREAS, pursuant to Order No. 23315, issued March 23, 2007, the remaining procedural steps in this docket include (1) a prehearing conference, (2) evidentiary hearing, (3) simultaneous opening briefs by HELCO and the Consumer Advocate, and (4) simultaneous reply briefs by HELCO and the Consumer Advocate;

WHEREAS, §91-9(d) of the Hawaii Revised Statutes ("HRS") provides that: "Any procedure in a contested case may be modified or waived by stipulation of the parties and informal disposition may be made of any contested case by stipulation, agreed settlement, consent order, or default;"

WHEREAS, as a result of the Settlement reached between HELCO and the Consumer Advocate on issues impacting the test year revenue requirements, HELCO and the Consumer Advocate (1) agree that all of the written testimonies (and exhibits,

³ As noted above, HELCO and the Consumer Advocate are continuing discussion on the cost of service/rate increase allocation/rate design for the instant docket. If agreement cannot be reached, the Parties will brief their respective positions in lieu of addressing their differences at the evidentiary hearing currently scheduled for the week of May 7, 2007.

workpapers and responses to information requests related to such testimonies) in this docket may be submitted without the witnesses appearing at an evidentiary hearing, (2) maintain that it is not necessary to have an evidentiary hearing in this docket, (3) request that the evidentiary hearing in this docket be canceled, and (4) agree that the filing of reply briefs should be limited to responding to cost of service/rate increase allocation/rate design issues that have not been settled; and

WHEREAS, the Parties acknowledge that all identified witnesses are subject to call at the discretion of the Commission, and witnesses called by the Commission shall be subject to cross-examination upon any testimony provided at the call of the Commission.

NOW, THEREFORE, it is hereby stipulated and agreed to by HELCO and the Consumer Advocate as follows:

1. All of the written testimonies identified in Exhibit A attached hereto (and exhibits, workpapers and responses to information requests related to such testimonies) may be submitted without the witnesses appearing at an evidentiary hearing, and shall be received as evidence.

2. The Parties agree to seek settlement on all remaining cost of service/rate increase allocation/rate design issues and to file a separate Stipulated Settlement Letter documenting any agreements on cost of service/rate increase allocation/rate design issues. If agreement cannot be reached, those issues shall be presented in the Parties' respective post hearing Briefs.

3. An evidentiary hearing is not necessary in this docket and the evidentiary


hearing that is presently scheduled to begin the week of May 7, 2007 should be canceled.


4. The Parties agree to waive their rights to (a) present further evidence on the issues, (b) conduct cross-examination of the witnesses listed in Exhibit A, or (c) ask questions of KDC at an evidentiary hearing. This waiver shall not apply where a Party deems it to be necessary to respond to evidence or argument resulting from the examination of witnesses or questions asked by the Commission.

5. The Parties agree to file opening briefs on June 4, 2007.

6. The Parties agree that reply briefs, which shall be limited to responding to cost of service/rate increase allocation/rate design issues that have not been settled, should be filed 2 weeks following the filing of opening briefs (i.e., June 18, 2007).

DATED: Honolulu, Hawaii, April 11, 2007.


THOMAS W. WILLIAMS, JR., ESQ.
PETER Y. KIKUTA, ESQ.
Attorneys for
Hawaii Electric Light Company, Inc.


CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
Division of Consumer Advocacy
Department of Commerce and Consumer
Affairs

DOCKET NO. 05-0315
HELCO 2006 TEST YEAR RATE CASE
WITNESSES

The following is a list of all of the witnesses for HELCO and Consumer Advocate that have submitted written testimonies in this docket:

HELCO

W. Lee	(HELCO T-1, HELCO RT-1)
C. Beck	(HELCO T-2, HELCO RT-2)
C. Miller	(HELCO T-3 ¹ , HELCO RT-3)
L. Giang	(HELCO T-4, HELCO RT-4)
J. Dizon	(HELCO RT-4A)
N. Verbanic	(HELCO T-5 ² , HELCO RT-5)
J. Ignacio	(HELCO T-6, HELCO RT-6)
P. Fujioka	(HELCO T-7, HELCO RT-7)
C. Beck	(HELCO T-8, HELCO RT-8)
P. Fujioka	(HELCO T-9, HELCO RT-9)
P. Nanbu	(HELCO RT-9A)
M. Adams	(HELCO RT-9B)
J. Price	(HELCO T-10, HELCO RT-10)
R. Nakaya	(HELCO T-11, HELCO RT-11)
D. Ikeda	(HELCO T-12, HELCO RT-12)

¹ Ms. Miller adopted the sections on Electric Sales Revenues in the direct testimony of Peter Young that was submitted as HELCO T-3.

² Mr. Verbanic adopted the direct testimony of Dan Giovanni that was submitted as HELCO T-5.

L. Ishii (HELCO T-13, HELCO RT-13)
J. Dizon (HELCO T-14³, HELCO RT-14)
K. Fong (HELCO T-15, HELCO RT-15)
S. Seu (HELCO RT-15A)
J. Clary (HELCO RT-15B)
B. Nakamoto (HELCO RT-15C)
G. Pasco (HELCO RT-15D)
A. Koyamatsu (HELCO RT-15E)
R. Tsukazaki (HELCO RT-15F)
G. Ohashi (HELCO T-16, HELCO RT-16)
R. Morin (HELCO T-17, HELCO RT-17)
T. Sekimura (HELCO T-18, HELCO ST-18, HELCO RT-18)
R. Orans (HELCO T-19)⁴
P. Young (HELCO T-20, HELCO RT-20)
W. Lee (HELCO T-21, HELCO RT-21)
A. Hee (HELCO ST-22, HELCO RT-22)⁵
J. Makhholm (HELCO ST-23)⁴
G. Meehan (HELCO ST-24)⁴

³ Mr. Dizon adopted the direct testimony of Clyde Nagata that was submitted as HELCO T-14.

⁴ Rebuttal testimony not submitted for this witness.

⁵ Mr. Hee adopted the section on the Energy Cost Adjustment Clause in the direct testimony of Peter Young that was submitted as HELCO T-3.

Consumer Advocate

M. Brosch (CA-T-1)

J. Herz (CA-T-2)

S. Carver (CA-T-3)

D. Parcell (CA-T-4)

M. Brosch (CA-T-5)


CERTIFICATE OF SERVICE

I hereby certify that on April 11, 2007, I served copies of the foregoing Stipulation, together with this Certificate of Service, by personal service, hand-delivery, or United States mail, postage prepaid, to the following, at the following addresses:

Division of Consumer Advocacy (4 copies)
Department of Commerce and Consumer Affairs
333 Merchant Street, Room 326
Honolulu, Hawaii 96813

Keahole Defense Coalition, Inc. (1 copy)
c/o Keichi Ikeda
73-1489 Ihumoe Street
Kailua-Kona, HI 96740-7301

DATED: Honolulu, Hawaii, April 11, 2007.



Lyndon Haack